

Town of Swansboro
Board of Commissioners
Special Budget Workshop Meeting Minutes
April 29, 2025

In attendance: Mayor William Justice, Mayor Pro Tem Jeffrey Conaway, Commissioner Pat Turner, Commissioner Joseph Brown, Commissioner Douglas Eckendorf and Commissioner Tamara Pieratti.

Call to Order/Opening Prayer/Pledge

The meeting was called to order at 6:00 pm and Mayor Justice led the Pledge of Allegiance. The purpose of the meeting was for discussion/direction on the FY 25/26 Budget.

Draft Budget Discussion FY 2025/2026

Town Manager Jon Barlow and Finance Director Sonia Johnson presented the draft budget for fiscal year 2025–2026. Mr. Barlow explained that he had met with each department director while preparing the draft, and the budget includes updates based on those conversations. The current draft reflected expenditures exceeding revenues by \$812,244.

Town Manager Barlow reviewed Key General Fund expenditures that significantly impacted the FY 2025–2026 budget total approximately \$799,717, included:

- *New Emergency Medical Services department: \$365,559
- Retirement increases prior to COLA/Merit adjustments: \$19,351
- *1.5% COLA and 1.5% Merit increase (including FICA and retirement): \$97,523.63
- Health insurance with predicted 10% rate increase: \$37,647
- NCLM property and liability insurance with 10% rate increase: \$16,272
- NCLM workers' compensation insurance with 10% rate increase: \$5,000
- VFIS fire insurance: \$12,288
- *Land Use Plan update: \$50,000
- Elections: \$15,000
- *Unified Development Ordinance (UDO) amendments: \$5,000
- *Parks & Recreation part-time staffing: \$16,090
- *Non-capital outlay: \$24,098
- Public safety salary increases: \$135,888

Items marked with an asterisk * were subject to Board discretion.

Town Manager Barlow reviewed the following additional items impacting the proposed budget:

- Capital outlay budget requests funded to date included:
 - Two police interceptors funded through loan proceeds: \$104,000
 - Sidewalk project funded from fund balance: \$423,654
 - Pickleball court funded from fund balance: \$150,000

- Capital reserve transfers to the General Fund totaled \$111,546, allocated for:
 - Sidewalk improvements: \$76,346
 - Police vehicle/equipment set-aside: \$23,200
 - Downtown square benches: \$12,000
- Appropriations totaling \$823,654 from fund balance for three specific Board-requested projects were:
 - Sidewalks: \$423,654
 - Pickleball court: \$150,000
 - Project Coffee: \$250,000
- Major budget requests unfunded to date total approximately \$1,522,901, were:
 - Personnel and benefits: \$334,401, were:
 - Recreation Coordinator: \$56,025
 - Two dock attendants (April 1 – November 23): \$20,884
 - Three firefighters (July 2025 – June 2026): \$213,513
 - Fire Administrative Lieutenant for accreditation (Jan 2025 – June 2026): \$38,678
 - Firefighter Skill Bridge Program (June 2025): \$5,301
 - Unfunded capital outlay requests (not funded to date): \$80,500, were:
 - Extrication equipment: \$56,000
 - Radios: \$18,500
 - Treadmill: \$6,000
 - Capital outlay requests identified for loan funding, totaling \$633,000, were:
 - Replacement boat and equipment: \$51,500
 - Brush truck: \$125,000
 - Utility/quick response vehicle with equipment and monitors: \$120,500
 - Deployment-ready trailer with dams: \$232,000
 - Capital set-aside funds proposed totaling \$475,000, were:
 - Fire Department: \$200,000
 - Emergency Medical Services: \$15,000
 - Parks & Recreation: \$245,000
 - Emergency Management: \$15,000

In response to inquiries from the board, Finance Director Johnson clarified the following:

- Unspent funds would be returned to the fund balance at year-end.
- Regarding occupancy tax revenue, the town retains 3% of net proceeds while the remainder is allocated elsewhere.
- The current budget keeps the town's fund balance at approximately 50% without using \$650,000 in reserves.

- Public works staff receive a cell phone stipend based on their roles, department heads receive \$50 per month, and fire department staff do not receive a stipend due to their specific circumstances.

Department heads reviewed details related to their budget requests as follows:

Town Clerk Fender reviewed the upcoming year's request, which included training for both the clerk and deputy clerk, where last year did not include any training for her. The importance of these funds were highlighted, focusing on certification requirements and operational needs. Dues and subscriptions were discussed, with a large portion going to the League of Municipalities and other necessary professional associations and services that provide certifications, professional development opportunities, and discounts for municipal employees. Additionally, she reviewed that not having funding in the budget for UDO codification resulted in needing to request a budget amendment to take care of finalizing amendments that the board approved.

Finance Director Sonia Johnson elaborated on professional services expenses, which include mandatory actuarial services related to audits, health benefits, and law enforcement, provided by firms such as Cavanaugh and Associates, as required by state regulations.

Police Chief Dwayne Taylor addressed the need for new handheld radios, as the existing equipment is outdated after 12 years of use. He mentioned upcoming meetings with Motorola and the sheriff's office regarding new radio contracts, underscoring the importance of modern communication tools for safety and effectiveness. Other police-related budget items discussed included equipment for police vehicles and street maintenance.

Town Manager Barlow shared that the Solid Waste and Stormwater Enterprise Funds were supported by user fees, and no fee increases were proposed. He recommended eliminating the early payment credit on Stormwater to cover increased equipment costs.

Several Board members expressed concern about the \$365,000 for a new Emergency Medical Services department, suggesting it might need to be cut due to budget constraints.

Town Manager Barlow indicated he had received good directions from the board and would work to reduce the deficit further before the next budget session. The board agreed to continue budget discussions at their next regular meeting on May 13th.

Adjournment

On a motion by Commissioner Brown, seconded by Mayor Pro Tem Conaway, the meeting adjourned at 8:02 pm.

Following adjournment, Commissioner Eckendorf brought up consideration for a tax reduction and made a motion to recommend a \$0.02 tax cut, but no formal action was taken as the meeting had already adjourned.